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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/10

SPONSOR Egolf LAST UPDATED _____ HB HJM 37

SHORT TITLE Cardiovascular Disease Prevention Program SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$5.0 - \$15.0			Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill

House Joint Memorial 37 (HJM 37) requests that DOH study the feasibility and value of establishing a comprehensive cardiovascular disease (CVD) prevention program in New Mexico.

The Joint Memorial provides for the following:

- according to the DOH, heart disease is the leading cause of death in New Mexico; and
- stroke is the fifth leading cause of death in New Mexico;
- in 2006, diseases of the heart and stroke claimed nearly four thousand lives, accounting for over one-fourth of all deaths in New Mexico;
- although the death rate from CVD disease has been declining in New Mexico over the last fifteen years, an increase in such risk factors as obesity and diabetes could reverse this trend if action is not taken;
- in New Mexico, from 1996 to 2000, Native American and Hispanic men and women had higher rates of death from diseases of the heart than people of other ethnic backgrounds in the United States;
- according to the DOH, in 2007, an estimated three hundred ninety million dollars (\$390,000,000) was spent in New Mexico on treatment related to heart disease, while lost

productivity accounted for an additional seven hundred eighty million dollars (\$780,000,000);

- according to the DOH, the cost of stroke in New Mexico amounted to an estimated seventy million dollars (\$70,000,000), and lost productivity due to stroke amounted to an estimated additional one hundred thirty million dollars (\$130,000,000);
- according to the Federal Centers for Disease Control and Prevention (CDC), nearly eighty-five million dollars (\$85,000,000) of the treatment expenditures for heart disease and stroke in New Mexico in 2007 was estimated to have been paid by Medicaid;
- the CDC funds a state heart disease and stroke prevention program in funding cycles of five years;
- New Mexico is one of eight states currently not receiving federal funding to implement this program;
- according to the DOH, New Mexico applies for funding from the CDC every time the funding opportunity is available; however, the state has not been funded due to the low incidence of CVD and stroke relative to other states;
- the next opportunity to apply for funding from the CDC will occur in 2012;
- as the population of New Mexico ages and the incidence of obesity, diabetes and other chronic diseases rises, the amount expended for direct medical costs related to heart disease and stroke as well as expenditures related to lost productivity will continue to rise;
- the Public Health Division of the DOH has numerous prevention programs and activities that address aspects of CVD and stroke, including diabetes prevention, obesity prevention, tobacco prevention and a stroke advisory council, but there is no consolidated program targeted at reducing the incidence of cardiovascular disease and stroke in the state; and
- a CVD prevention program could result in significant cost savings and a healthier and more productive state.

FISCAL IMPLICATIONS

There would be a fiscal impact in DOH staff time to collect and assess data, and for preparing the final report.

The study shall calculate the amount of funding to implement a CVD prevention program and identify barriers to and opportunities for obtaining federal funding through the CDC.

The study shall include projections of the future cost of medical care and lost productivity due to CVD and stroke in New Mexico.

The study shall estimate the amount of savings that could be achieved, including savings to the Medicaid program, through implementation of a CVD prevention program.

SIGNIFICANT ISSUES

DOH notes that it submitted an application to CDC to fund a state heart disease and stroke prevention program that would have provided \$400,000 per year for a period of five years. DOH was officially notified that this application was recommended for approval but was not funded due to lack of adequate resources at the federal level.

DOH further notes that it developed a “*Heart Disease and Stroke in New Mexico*” fact sheet in December 2008, followed by a comprehensive report in June 2009.

DOH further reports that HJM 37 identifies a major barrier to CDC funding for CVD in New Mexico, which is the low incidence of CVD relative to other states. As long as this is used as a funding criterion by CDC, it will most likely remain a barrier, despite efforts to clearly demonstrate disparities among New Mexico’s minority populations compared to their counterparts in the rest of the U.S.

The Medicaid proportion of CVD health costs for each state is available through the CDC Chronic Disease Cost Calculator.

PERFORMANCE IMPLICATIONS

DOH shall report its findings to the interim Legislative Health and Human Services Committee by November, 2010.

ADMINISTRATIVE IMPLICATIONS

DOH staff would need to be redirected from duties otherwise assigned during this time.

OTHER SUBSTANTIVE ISSUES

In New Mexico, men are more likely than women to have a CVD event, and whites have the highest rates of all racial/ethnic groups. Rates of CVD become higher with increasing age and decreasing income.

IAD reports that risk factors of obesity and diabetes contribute to the higher rates of CVD among American Indian and Alaska Native populations.

The southwestern region of the state has the highest rates of reported CVD events.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A study on the feasibility and value of establishing a comprehensive CVD prevention program in New Mexico would not be conducted.

AHO/mew